GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:4019
ANSWERED ON:22.04.2008
EXPANSION PROJECT OF NALCO
Gamang Shri Giridhar

Will the Minister of MINES be pleased to state:

(a) the estimated cost of expansion projects of NALCO and the policy adopted for mobilization of funds for the expansion;

(b) the total funds utilized so far alongwith the progress made on each component of the expansion; and

(c) the steps taken/proposed to be taken by the Government to reduce the cost and time overrun of the projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND THE MINISTRY OF MINES (SHRI B. K. HANDIQUE)

(a): The original estimated cost of ongoing 2nd phase expansion project of National Aluminium Company Ltd. (NALCO) was Rs. 4091.51 crore (at March, 2004 price level). The revised estimated cost at March, 2007 price level is Rs. 5003 crore. The project cost is funded mostly through internal resource generation.

(b): NALCO has informed that as of March, 2008, total commitment of Rs. 3729 crore has been made and expenditure of Rs. 1948.43 crore has been incurred. Overall expenditure and progress of expansion as of March, 2008 is given below:

Sl.No.	Project segment	Expenditure (Rs. in crore)	Progress (in %)
1	Mines and Alumina	618.99	72
2.	Smelter	683.18	69
3.	Captive Power Plant	646.26	80
Total		1948.43	

(c): The Company has engaged M/s M.N. Dastur & Company as its consultant for time and cost monitoring of the 2nd phase expansion project, who conducts reviews regularly and submits reports. The Company also conducts regular project review meetings at the units and corporate level to take remedial measures for any slippage in the milestone. The Company is confident that the project would be commissioned within the revised estimate of the cost. The Ministry also reviews the progress on quarterly basis.